AFFORDABLE HOUSING ADVISORY COMMITTEE
LOCATION: ROOM 2000
CITY HALL
THURSDAY, NOVEMBER 1, 2012 7:00PM

AGENDA

1. Consideration of the Minutes of 9/13/12 and 10/18/12 meetings	7:00 p.m.
2. Discussion on Office of Housing Financials	7:05 p.m.
3. Consideration of AHC Funding Request for 114-120 East Reed Ave.	7:15 p.m.
4. Announcements and Upcoming Housing Meetings	8:00 p.m.
5. Adjournment	8:05 p.m.

AFFORDABLE HOUSING ADVISORY COMMITTEE
Minutes of the Sept 13, 2012 Meeting

Members Present	Staff Present	Guests	
Bill Harris	Mildrilyn Davis	Carol Jackson	Stefan Hankin
Mike Caison	Helen McIlvaine	Cathy Puskar	Anthony Colello
Michael Butler	Eric Keeler	Duncan Blair	
Rick Liu	Jon Frederick	John Welsh	
John Catlett	Melodie Seau	Nick Bracco	
Marcus Allen		Rafael Muniz	
Deena de Montigny		Joe Demshar	
Carter Fleming		John Ruvak	
Katharine Dixon			

The meeting was called to order by M Caison, 7:04pm.

1. M Davis led a discussion on the Predevelopment loan to AHC from the Housing Opportunities Fund. AHC guests presented the project to AHAC. In the proposal, the tax credit should be corrected to $1 million. Questions arose re. the real estate tax fund, source of funding, parking spots, and low income tax credits. K Dixon motioned to approve the Office of Housing's recommendations that AHAC authorize a $250,000 loan to AHC, Inc., B Harris seconded. All approved.

2. J Frederick introduced Potomac Yard Landbay J information. C Puskar detailed the project for committee members. K Dixon motioned to approve the Office of Housing's recommendation that AHAC approve the Housing Plan Option 2 submitted by the applicant, J Catlett seconded, all approved.

3. J Frederick introduced Potomac Yard Landbay G Block H information. C Puskar detailed the project for committee members. B Harris motioned to approve the Office of Housing's recommendation that AHAC approve the Housing Plan Option 2 submitted by the applicant, J Catlett seconded, all approved.

4. H McIlvaine introduced representatives from Lincoln Park Strategies, here to present the findings of the Beauregard Tenant Survey conducted over the summer. (See actual survey for details.) Discussions followed re. household income, car ownership re. public transportation, families with children. A member requested that the pie chart on page 14 be broken out into further detail re. children. The survey findings will be presented to the public at a 9/20 town hall meeting. AHAC will listen to public comments then make final recommendations in the next few months to Council re. the affordable housing units in the BSAP.

5. M Caison called for the approval of the June and July minutes and by multiple items from ratified votes at March and May meetings. B Harris moved, J Catlett seconded, all approved.

6. All financial reports from Housing Trust Fund, Housing Opportunity Fund, and Homeownership Program reports were self-explanatory.

7. Caison adjourned the meeting at 8:45pm.

AFFORDABLE HOUSING ADVISORY COMMITTEE
Minutes of the October, 18 2012 Meeting

Members Present	Staff Present	Guests
Bill Harris	Helen McIlvaine	Derek Hyra
Michael Caison	Jon Frederick	Diane Stoy
Laura Lantzy		Joe Demshar
Michael Butler		John Ruvak
Katharine Dixon		Annabelle Fisher
Deena De Montigny		
Marcus Allen		
Rick Liu		
Robyn Kunkel		

- Mike Caison, the AHAC Chair, called the meeting to order at 7:10 PM. He welcomed everyone and asked each Committee member to introduce him/herself and state the position held. There was one new member in attendance, Robin Kunkel, who fills the attorney position. Derek Hyra, the Chairman of the ARHA Board of Commissioners, was present for Carter Flemming who is out of town.

- To refresh Committee members, Mike described AHAC's task in formulating recommendations for City Council with regard to the provision of affordable housing in Beauregard as part of the upcoming re-zoning. According to City Council's directive, AHAC's recommendations are to be guided by the results of the Tenant Survey (presented in September) and by the funding strategy detailed in the Plan. Mike also asked Committee members to be thinking about how they might like to frame their recommendations. Helen told the group that housing staff would be developing some draft recommendations for the Committee to review and revise pursuant to its deliberations. Some proposals that are planned to be included in staff's draft recommendations are being vetted with the Developers to get their feedback regarding feasibility.

- Jon Frederick provided a general overview of the Beauregard Plan and of the Housing Chapter. There were several general questions and comments from committee members, including:

    1. **How many units will be redeveloped?** 2,475

    2. **What is Home Properties and what does it own?** Home Properties is the development entity that owns two multifamily properties east of 395, including Seminary Hills, a garden apartment complex that is planned to be redeveloped at higher density pursuant to the Plan, and Seminary Towers, a high-rise building, that will stay.

3. **How will the redevelopment be phased?** Jon showed a slide that illustrated the projected phases of development; Seminary Hills and some apartment buildings near the Giant retail center are in Phase I. It was mentioned that the timing and sequence of development may change.

4. **What is the proper number of affordable units, given the number of market units to be developed?** The 800 committed units reflect 32% of those to be demolished; currently -- and coincidentally -- approximately 829 of the units to be demolished have rents that are market affordable to households at 60% AMI.

5. **Where are we in the Plan process? Will there be an opportunity to suggest revisions to the Plan or its "design?"** The Plan is completed and was approved by City Council on May 12, 2012 after 127 community meetings. City staff and the Developers are working on issues related to the Rezoning anticipated to come forward early next year; that is what AHAC do recommendations will be used to shape.

6. **Over what period will the redevelopment occur?** It is projected to occur over 30-35 years, depending on market conditions.

7. **If we change the proposed mix (number of units; levels of affordability), can we increase the budget?** AHAC has been asked to work within the level of funds described in the Beauregard Plan, however, if its findings conclude that a different mix is important for Council to consider, it can recommend that and perhaps suggest potential sources for funding.

- Derek commented that ARHA did not seek to be included in the Plan, was not consulted about it and is not interested in being the recipient of the buildings being donated to the City by JBG. He believes that the redevelopment of Beauregard will adversely affect HCV holders by leading to higher rents. Helen noted that currently none of the developments anticipated to be redeveloped accept voucher and the Plan will require that all of the committed affordable units are available to voucher holders. Derek said that the City needs to focus on creating more affordable units – ARHA's experience is that many voucher holds choose to "port" their certificates to Fairfax County or Prince George's County where there are more affordable options. Jon stated that, without the Plan, rents are escalating in Beauregard and throughout the West End out of affordability; the Plan will ensure that in the future 800 units will be affordable over the long term. Derek also stated some concerns with the sufficiency of three bedroom units to be provided and suggested that ARHA could provide technical assistance to the City with regard to how providing vouchers to create affordability might be preferable to creating committed units. He also stated that a PILOT program (to allow owners of committed units to pay a lower rate of real estate taxes) could be valuable to enhance affordability. He wonders what will happen when the projected terms of affordability expire in 40 years…he thinks it is unlikely that the units will then be market affordable and speculated that ARHA would probably have to acquire and preserve them at that point.

- Jon demonstrated an interactive model that allows users to test the cost of different mixes of units (numbers and levels of affordability) to see what the cost is. He also walked the Committee through the City's methodology to estimate of what it would "cost" to buy down different types of units, including existing vs. new; efficiency, 1 and 2 BRs; and within targeted affordability levels. Jon showed how the City had arrived at a target of 800 units within the overall funding plan of $114M. In response to comments and questions from the group, Jon and Helen also previewed some of the factors the committees may weigh in upcoming discussions that may also impact their recommendations, including information provided by the survey regarding small households, elderly households, income levels, right-sizing households into appropriate units, potential accommodations of 3BR units and so forth. There may be some opportunities to create more/different types of units, too, if nonprofits or other affordable housing developers are able to acquire parcels and develop new mixed income buildings to meet specified unmet needs identified by AHAC. Jon will forward the model to the group so they can test different scenarios.

- AHAC will continue its discussions over the next few months. Recommendations will need to be finalized and approved by AHAC by February or so according to the current schedule for the Rezoning. Next month, AHAC will consider AHC's request for a permanent loan of $2.5 M for East Reed. Staff will brief AHAC on the status of current and future levels of Housing funds prior to its deliberations regarding the loan.

Minutes provided by Office of Housing Deputy Director, Helen McIlvaine

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 31, 2012

TO: AFFORDABLE HOUSING ADVISORY COMMITTEE

FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING

SUBJECT: CONSIDERATION OF A REQUEST FROM AHC, INC. FOR A $2.5 MILLION LOAN TO FACILITATE A PROPOSED AFFORDABLE HOUSING DEVELOPMENT ON EAST REED AVENUE

ISSUE: Provision of a loan to AHC to help with the development of a 77-unit affordable housing development on East Reed Avenue.

RECOMMENDATION: That the Committee authorize a $2. 5 million loan (to include a previously approved $250,000 predevelopment loan) to AHC, Inc. from the City's Housing Opportunities Fund, dedicated tax revenues, and repaid bond proceeds as gap financing for the development of a 77-unit affordable housing development on East Reed Avenue.

BACKGROUND: AHC, Inc. (AHC) is a 501(c) (3) nonprofit housing development entity. Since its establishment in 1975, AHC has developed or preserved more than 5,000 units of affordable and workforce rental housing among the 39 apartment communities it owns in Arlington County, Fairfax County, Baltimore, Richmond and the Virginia Tidewater region. AHC also sponsors some affordable homeownership projects. AHC has been designated an "experienced affordable housing developer" by the Virginia Housing Development Authority (VHDA) for its proven success in developing, financing, and operating sustainable tax credit funded properties, including both new construction and preservation/rehabilitation of existing complexes. In addition to managing its own rental portfolio, AHC also operates a robust resident services program and provides third party property and asset management services.

AHC's proposed East Reed development, depicted in Attachment 1, would be the organization's first project in the City of Alexandria. This project is located on the 100 block of East Reed and will include 77 new construction apartments, comprised of one-, two- and three-bedroom units. The project rents will be affordable to households with incomes at or below 60% AMI (e.g., $64,500 for a four person household) with an affordability period of 60 years. The building will range from four to five stories in height (like The Preston, across the street, on the other side of East Reed), above underground parking for residents and their guests. There will be a community room available for public use, however, the primary function of the space will be for AHC to provide on-site programming (e.g., after school activities and tutoring, summer camp, adult education and computer classes) for building residents.

DISCUSSION: In order to complete the project, AHC will assemble seven individual parcels along East Reed Ave. The parcel located at the corner of East Reed Avenue and Jefferson Davis Highway is a City owned parcel while the remaining six parcels are privately owned. The City Council approved a forgivable predevelopment loan of $250,000 for this project in September, consistent with the recommendation of this Committee. This approval allowed AHC to move forward with the development of the project design, complete architectural, engineering and environmental studies and reports, and conduct the necessary due diligence to assure the viability and long term sustainability of the proposed development. In addition, AHC has purchased one of the required parcels from an owner who was unwilling to wait to settle until AHC completes the land approval and LIHTC application processes in 2013, and has provided small payments to owners of the remaining parcels to retain purchase options until entitlements are acquired.

City staff is working on a public-private partnership with AHC so that it can actively participate in the development and ongoing governance of the East Reed project. The City and AHC are drafting a memorandum of understanding (MOU) that, if approved, would make the parcel at 3600 Jefferson Davis Highway the City's equity in a City-AHC partnership to complete the proposed development's land assemblage. After the initial tax credit period (approximately 15 years after project completion) when the development is well-established, AHC would have the option to buy out the City's partnership share for a price that is approximately equivalent to the current fair market value of the 3600 parcel today (estimated around $720,000, exclusive of possible environmental cost remediation sharing). Consideration of the terms and conditions of a potential City-AHC partnership agreement and the disposition of the 3600 parcel by appropriation will require a Section 9.06 [1] approval as part of the development approvals and financing package presented to City Council in December.

In addition to the Section 9.06 approval, AHC will need a series of land use approvals in order to develop this project. The parcels in question are currently included in Coordinated Development District (CDD) #7 and will need to be rezoned to Commercial Residential Mixed Use Medium (CRMU-M). In addition to the rezoning, the project will also require a Development Special Use Permit for new construction, a Special Use Permit for both bonus density and a parking reduction in exchange for on-site affordable housing, pursuant to Section 7-700 of the Zoning Ordinance. . All the land use approvals are scheduled to be heard at the regularly scheduled December 2012 Planning Commission hearing, and, if approved by Planning Commission, at the December 2012 City Council Public hearing.

The attached development proforma that has been provided by AHC shows the total development cost of the project will be approximately $24.5 million. The development of this project would be dependent on a number of financing sources including Low Income Housing Tax Credits, private lender permanent financing, the recommended City loan, and an AHC deferred development fee. AHC plans to apply for competitive LIHTC during the spring 2013 application cycle. If awarded, AHC's proforma demonstrates this funding source will be able to finance approximately half of the development cost of the project. In addition, based on a debt service coverage ratio of 1.15, AHC is estimates it will be able obtain permanent financing of

[1] The Section 9.06 approval is the process used by the City to dispose of City owned land.

approximately $8 million which would leave a financing gap of approximately $4.2 million. In order to fill this gap, AHC has offered to defer 50% of its development fee and requested a loan of $2.5 million from the City along with a deferred payment on the current value of the City's land.

As noted in the previous recommendation at the time the predevelopment loan was considered, in the event the project does not secure all necessary approvals (City loan, land use approvals, and Low Income Housing Tax Credits), the $250,000 predevelopment loan will be forgiven. However, if the project goes forward, the total City loan of $2.5 million will be fully repaid. AHC's $2.5 million loan request from the City's HOF represents approximately ten percent of the total development cost of the proposed project which equates to $32,467 per unit. In return for this investment, the City will receive 77 units of rental housing that will be affordable to households at or below 60% AMI for a period of 60 years. If approved, the City's loan will carry a two percent interest rate and will be paid on a residual receipts basis. AHC's proforma shows that that the project will generate sufficient cash flow to begin making payment in the first year of operation and will be fully repaid by year 30. Staff believes that, given AHC's capacity, its development track record and its willingness to stake its own reserves (per the project pro forma, the organization expects to expend more than $1,250,000 to get through the City's development approval process and submit a tax credit application), that the proposed City investment is appropriate given the potential return.

FISCAL IMPACT: The City will provide an additional $2.25 million from the City's Housing Opportunities Fund if the East Reed project is successful in its attaining development approvals and low income housing tax credits. The total $2.5 million loan will be paid out of various sources of the Housing Opportunities Fund including bond repayments, tax revenue, and the housing trust fund. Repayment of the loan is projected to begin in year one of operation and be completely repaid with interest over a period of 30 years.

ATTACHMENTS: Portions of AHC HOF Loan Application
Final Rendering of Project

STAFF:
Helen McIlvaine, Deputy Director, Office of Housing
Jon Frederick, Housing Analyst, Office of Housing

OCT 2 4 2012

AHC INC.

An Affordable Housing Corporation

October 22, 2012

Ms. Helen S. McIlvaine, Deputy Director, Office of Housing
City of Alexandria
421 King Street, Suite 200
Alexandria, VA 22314

Via Email and U.S. Mail

Re: East Reed Avenue—Redevelopment Plan

Dear Ms. ~~McIlvaine~~ Helen:

I am writing to thank you and the Affordable Housing Advisory Committee (AHAC) for your previous support of $250,000 towards our East Reed Avenue project. We are now moving ahead with the full review by the Planning Commission and City Council for our site plan proposal to construct a new 77-unit affordable housing property at the intersection of Route 1 and East Reed Avenue. Thus, we now need AHAC to consider our full request for $2.5 million in city funding to build this project.

This redevelopment will serve as a gateway redevelopment to improve Reed Avenue, as well as stand complementary with The Preston across the street. While it will be our first project in Alexandria, it is similar to other projects that you know in Arlington—The Jordan, The Shelton, and others. The total development cost is approximately $25 million. With the City investing $2.5 million, that represents a leverage of nearly 10:1.

We have site control of the properties. We are on the docket with the Planning Commission and City Council in early December. We will apply for tax credits from VHDA in March, 2013. We plan to acquire the series of properties in July, 2013, and to begin construction in early 2014, and have the units leased by the end of 2015. As stated in our September letter, AHC will invest approximately $1.2 million over 12 months to see this project through the City approval process and VHDA financing.

The AHC senior staff and board of directors are excited about this new, affordable housing project. We look forward to working with you to make this a reality. Your partnership is essential. If you have any questions, please contact Nick Bracco or me.

Sincerely,

John M. Welsh
Vice President, Multifamily Group

cc: Jon Frederick, via email

2230 North Fairfax Drive Suite 100 Arlington, Virginia 22201
Phone 703.486.0626 Fax 703.486.0653 www.ahcinc.org

NeighborWorks CHARTERED MEMBER
EQUAL HOUSING OPPORTUNITY
#77198

AHC INC.

An Affordable Housing Corporation

Reed Avenue
Project Summary

September 4, 2012

AHC Inc. is currently pursuing the development of a 77-unit multifamily building in the City of Alexandria. The building will be located at the intersection of E. Reed Avenue and Jefferson Davis Highway (Route 1). AHC is contemplating a partnership with the City of Alexandria to undertake this project. The building will serve families at the 60% area median income (AMI) affordability level. The current unit mix is as follows:

Unit Type	No. of Units	Rents	Estimated Unit Size (SF)
1 Bedroom	15	$1,210	725
2 Bedroom	51	$1,450	1,000
3 Bedroom	11	$1,675	1,100

The location has excellent proximity to public transit, with bus service currently running in the immediate area, and metro-rail and bus rapid transit planned for the corridor. The project will have underground parking for residents. Additional amenities will include a rooftop patio, on-site management, and community space. AHC plans to coordinate with a local service provider for educational programming.

The property needs to be rezoned as well as obtaining other entitlements. The initial layout and building plan have been reviewed by neighbors and city staff. AHC expects to submit a formal plan for City approval in late 2012.

The project is planned to be approved by the end of 2012 and apply for 9% LITHC credits in March 2013.

2230 North Fairfax Drive Suite 100 Arlington, Virginia 22201
Phone 703.486.0626 Fax 703.486.0653 www.ahcinc.org

NeighborWorks CHARTERED MEMBER
EQUAL HOUSING OPPORTUNITY
#77198

East Reed Avenue

Assumptions & Project Details

Must Enter all yellow shaded areas
Should Confirm green shaded areas

RENTAL INCOME ASSUMPTIONS

Unit	# Units	Avg. sf	Current Rents	40% AMI	50% AMI	60% AMI	75% AMI	Utility Allowance	Net Rent	Monthly Income	Projected Annual Income	Current Annual Income
				Proposed Rents								
Efficiency	0	0	$0	$753				$70	$683	$0	$0	$0
Efficiency	0	0	$0		$941			$70	$871	$0	$0	$0
Efficiency	0	0	$0			$1,129		$70	$1,059	$0	$0	$0
Efficiency	0	0	$0				$1,411	$0	$1,411	$0	$0	$0
1 BR	0	0	$0	$806				$96	$710	$0	$0	$0
1 BR	0	0	$0		$1,008			$96	$912	$0	$0	$0
1 BR	15	0	$0			$1,209		$96	$1,113	$16,701	$200,408	$0
1 BR	0	0	$0				$1,512	$0	$1,512	$0	$0	$0
2 BR	0	0	$0	$968				$140	$828	$0	$0	$0
2 BR	0	0	$0		$1,209			$140	$1,069	$0	$0	$0
2 BR	51	0	$0			$1,451		$140	$1,311	$66,874	$802,485	$0
2 BR	0	0	$0				$1,814	$0	$1,814	$0	$0	$0
3 BR	0	0	$0	$1,118				$187	$931	$0	$0	$0
3 BR	0	0	$0		$1,398			$187	$1,211	$0	$0	$0
3 BR	11	0	$0			$1,677		$187	$1,490	$16,390	$196,680	$0
3 BR	0	0	$0				$2,096	$0	$2,096	$0	$0	$0
Total Units	77									$99,964	$1,199,573	$0

Locality	Alexandria		
Area Median Income	$107,500	2012	okay
Proportion of Income to Rent	30%		
Average # of Persons/Bedroom	1.5		
Vacancy-Residential	5.00%		
Rental Income Escalation	2.00%		
Projected Rent Increase: Current vs. Stabilized	#DIV/0!	over # of yrs	4
% Multi-Bedroom	80.52%		

AFFORDABILITY SUMMARY

			Projected Ave. Rent	Current Ave. Rent
Market-Rate	0		$1,298	$0
Affordable @ 60%	77			
Affordable @ 50%	0			
Affordable @ 40%	0			
Total Units	77	okay		
% Affordable: by Units / Sq Ft.	100.00%	100.00%	Applicable Fraction	100.00%
Section 8 Units (Yes or No)	No	If 'Yes' Enter #		

OTHER INCOME

(enter either $/unit or %/unit)			Annual Income	$ Per Unit Per Month	% Per Unit Per Month
Parking	spaces 77		$18,480	$40	0%
Laundry	(est.)	24024	$5,998	$0	0.50%
Storage		9600	$5,998	$0	0.50%
Fees/Management Charges			$0	$0	0.00%
Financial Income on Reserves	0%		$0		
Cable/Telephone Income			$0	$0	0%
Other			$5,998	$0	0.50%
Total Other Income			$36,474	$474	3.04%
Other Income Escalation			2.00%		

COMMERCIAL INCOME

	sq. ft.	$ / sq. ft.	Term	Start Date	Annual Income
Retail	0	$25	10	1/1/2006	$0
Office	0				$0
Total	-				-
Commercial Income Escalation	3.00%				
Commercial Vacancy	10.00%				

PROPERTY DETAILS (particularly for rehab)

		Notes
Acres	1+	
Building Age	0	
# of Buildings	1	
Building Height (stones)	5	
Structural Materials	block + brick	
Roof Type / Age	built up	
Window Type / Age	?	
Heating Type / Age	?	
Cooling Type / Age	?	
Parking Type/ Age	underground + possibly leasing spaces next door?	
Utils. (Master/Res/Mix)	?	
Split--Land vs. Building	0.00%	Building

Data Source: Appraiser

UTILITY ALLOWANCE

Unit Type: Apartment

Source	HUD/RHA	Alexandria	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom
Date	1-Jul-11	Paid by	Amount	Amount	Amount	Amount
Service/Utility	Type/Source	Tenant/Owner	if Tenant Paid	if Tenant Paid	if Tenant Paid	if Tenant Paid
Heat	Elec	Tenant	8	11	19	21
Cooking	Gas	Tenant	5	7	9	11
Other Electric	Lights	Tenant	23	29	35	42
Air Condo	Heat Pump	Tenant	5	7	9	11
Water Heater	Gas	Owner	8	11	15	18
Water	Meter/Submeter	Tenant	6	9	16	25
Sewer	Meter/Submeter	Tenant	15	22	37	59
Other		N/A	0	0	0	0
Total			70	96	140	187

OPERATING EXPENSE ASSUMPTIONS

Operating Expense Escalation: 3.00%

Items	Note	2012 Per Unit	2012 Annual
Administrative & Staff		$1,600	$123,200
Utilities		$1,000	$77,000
O&M	if elev.-add $50	$1,180	$90,860
Real Estate Taxes & Insurance		$1,515	$116,655
Property Management Fee	5.25%	$818	$62,978
Total Operating Expenses		$6,113	$470,693
Replacement Reserve	confirm w/lender	$300	$23,100
Total Operating Expenses Plus RR		$6,413	$493,793

Source of Property Data: UPW - taken from comps

	Current Year 2012	Previous 2011	Previous 2010
	$ 1,700,000	$ 1,600,000	$ 1,590,000
$22,078	$ 1,700,000	$ 1,600,000	$ 1,590,000
	$ 1,700,000	$ 1,600,000	$ 1,590,000

AHC Property w/Similar Operating Traits (if any)	Current Year(Annualized) 2012	
	$ 1,600	Administrative & St
	$ 1,300	Utilities
The Station	$ 1,100	O&M
	$ 1,200	Taxes & Insurance
24	$ 851	Prop. Mang. Fee
	$ 6,051	Total Oper. Exps.
	$ 300	Replacement Res.
	$ 6,351	Total Exp. + Res.

GENERAL ASSUMPTIONS

Current Month/Year	5	2012		
Expected 1st Year Stabilized Operations		2016	(first full year after Perm. Loan Closing)	
Project Acquisition / Initial Closing		1-Sep-13		
Project Type--Family, Senior		Family		
Constr. Type ("Buy/Hold", "Mod Rehab", "Gut Rehab", "New")		New		
If Rehab, are units "Vacant" or "Occupied"?		Vacant		
Construction Start Date w/in 30 days from Initial Closing		1-Oct-13	0%	Vacancy at Begin Constr.
Construction Duration (estimate)		18	months	0 Constr. Phases
If Rehab, Will Tenants be "In-Place", "Off-Site", "Both", "None"		None	0%	Portion Off-Site
Relocation Costs (incl. staffing costs)		$0	cost/unit	(if off-site, increase exp. or increase vacancy)
URA (Yes/No) no	Adjust Relocation by factor of	4	if URA applies	
Permanent Closing--months after Construction Completion		6	months	21-Sep-15 **Target Perm. Loan Closing**

FEES

Construction Management Fee	$7,500	per month	
Project Management Fee	$5,000	per month	
Development Fee	9.00%	of TDC	
Investor Services (T.C. Synd)	$7,500		
Bond Issuer Fee	0.00%	per annum, confirm locality	
Lender/Equity Constr. Insp.	$1,000	per month	
Resident Services ($/month)	$0		$0
Asset Management ($/month)	$15		$13,860

FINANCING ASSUMPTIONS

Tax Credits (9%, 4%, N/A)	9%	Property in QCT (Yes/No)	No		Tax Credit Issuer	VHDA		
Tax Credit Rates- 9% / 4%	9% 7.38%	4%	3.18%		Tax Credit Sndicator	?		
Source Tax Credit Rates:	Novogradac - March 2012				Tax Credit Partnership Ratio	99.99%		
Tax Credit Pricing	LIHTC	Federal Historic	State Historic		Bond Issuer (if applicable)			
	$1.00	$0.00	$0.00		Construction Lender	Capital One		
Historic Credit Rates(Fed/State)		20%	25% VA		1st Trust Lender-permanent	VHDA	Min. DSCR	1.10
AFR Interest Rate / Source	2.65%	Novogradac - March 2012			2nd Trust Lender	Alexandria	Min. DSCR	soft
Max. GC Profit/Overhead	14%				3rd Trust Lender	AHC	Min. DSCR	soft

PROJECT EXPENSE TESTS

Max. Expense	PROJECT TYPE Buy/Hold	Mod Rehab	Gut Rehab	New (land only)	Project Amount	Test Limit	Conforms?
Acq. Price/Unit	$150,000	$180,000	$130,000	$40,000	$45,455	$40,000	Violation
Constr. Cost/Unit (excl. Contingency	$0	$50,000	$100,000	$230,000	$182,400	$230,000	Okay
Architect Fee	$30,000	0.06	0.05	0.04	$520,000	$872,718	Okay
Soft Costs (% of TDC)	5.00%	10.00%	15.00%	15.00%	11.95%	15.00%	Okay
Oper. Exp. (ann./unit, excl. Res. utils	$6,000	$5,700	$5,000	$4,700	$6,113	$5,700	Violation

PROPOSED SCOPE OF WORK

Property Inspection Date	1-Jul-10
Constr. Mang. Present (Yes/No)	No
Architect Present (Yes/No)	No
Engineer Present (Yes/No)	No
Property Mang. Present (Yes/No)	No

Project Team	Name	Phone	Email
Project Manager--AHC	NBJW	703-486-0626 x 115	bracco@ahcinc.org
Constr. Manager--AHC	Tom	703-486-0626 x114	wallings@ahcinc.org
Architect	BJH		
Structural Eng.	?		
MEP Engineer	?		
Civil Engineer	VIKA		
Landscape	?		
Soil Borings	ECS		
Geotech Engineer	ECS		
Environmental Engineer	ECS		
Permit Expeditor	Betsy Stagg		
Appraiser	Thorne		
Market Study	Jeff Carroll		

Constr. Item	Type/Notes		Est. Cost/Item	# of Units	Est. Item Cost	
New HVAC	heat pump, forced air		$0	77	$0	
Bath Upgrades	Fixtures & Tile		$0	77	$0	
Kitchen Upgrades	Appl, Counter, Tile		$0	77	$0	
New Roof	2-ply Built-Up		$0	1	$0	
Plumbing/Sewer	Laterals		$0		$0	
Elec. Upgrade	Wiring in Units, heavy up		$0	77	$0	
Common Areas	Paint, Carpet, Tile		$0		$0	
Carpet/Paint			$0	77	$0	
Elevator	cab & controls		$0	0	$0	
Windows	alum. replace	8	$0	77	$0	
Parking	Resurface		$0	77	$0	
Other	pool		$0	0	$0	
Other			$0		$0	
Parking Garage			$30,000	77	$2,310,000	1 level garage???
New Construction			$130,000	77	$10,010,000	
Total Work to Apartments					**$12,320,000**	*Per Unit* $160,000

AHC INC.

East Reed Avenue
Development Budget

Must Enter all yellow shaded areas
Should Confirm green shaded areas

Acct Code		Budget	Eligible Costs: 4%	9%	Per Unit	Factors	Notes
	Acquisition $3,500,000					120, 118/118.5, 116, 116.5, 114; plus 118/118.5 in	
1950	Building	$0	X	X	$0		
1900	Land	$3,500,000	X	X	$45,455		
1611	Recording/Fees	$122,745	X	X	$1,594	1.05%	grantors-$1/$1000; Recordation-$
1611	Closing Costs(title/survey, etc.)	$100,000	X	X	$1,299		
	Acquisition Subtotal	**$3,722,745**			$48,347		
	Development ("Soft") Costs						
	Architectural and Design						
1521	Conceptual Drawings	$200,000	$0	$200,000	$2,597		B/H
1521	Working Drawings	$220,000	$0	$220,000	$2,857		
1530	Construction Administration	$100,000	$0	$100,000	$1,299		
1755	Expenses	$70,000	$0	X	$909	est.	
1522	Landscape	$50,000	$0	$50,000	$649		
	Engineering Fees						$740,000
1523	Civil	$75,000	$0	$75,000	$974		Vika
1526	Structural	$75,000	$0	$75,000	$974		
1525	MEP	$75,000	$0	$75,000	$974		
1524	Geotech / Soils	$20,000	$0	$20,000	$260		ECS
1671	Environmental	$7,500	$0	$7,500	$97		ECS Phase 1, etc.
1528	Traffic	$15,000	$0	$15,000	$195		Ed P.
	Legal--Owner						
1622	Organization	$5,000	$0	$5,000	$65		
1621	Loan Documents	$30,000	$0	$0	$390		
1625	Zoning	$75,000	$0	$75,000	$974		Land Blair
1624	Tax credit	$35,000	$0	$35,000	$455		
1626	Other	$0	$0	$0	$0		
	Miscellaneous						
1690	Appraisal	$10,000	$0	$10,000	$130		
1700	Market Study	$5,000	$0	$5,000	$65		
1510	Building Permits	$250,000	$0	$250,000	$3,247		
1740	Construction Management	$135,000	$0	$135,000	$1,753		
1815	Project Management	$120,000	$0	$120,000	$1,558		
1740	Consultants	$100,000	$0	$100,000	$1,299		Special 3rd, ADA, Utils, Green
1745	FF&E (model, office...)	$50,000	$0	$50,000	$649		
1591	Insurance: builder's risk	$70,224	$0	$70,224	$912	0.50%	
1592	Insurance: umbrella	$35,000	$0	$35,000	$455		
1765	Marketing / Lease-up	$75,000	X	X	$974		
1780	Management Start-Up Costs	$50,000	$0	$50,000	$649		
1580	R/E taxes during construction	$35,000	$0	$35,000	$455		
1791	Utilities during construction	$25,000	$0	$25,000	$325		
1773	Relocation	$0	$0	$0	$0		
1540	Tap Fees	$218,500	$0	$218,500	$2,838	$5,000	
1925	Soft Cost Contingency	$111,561	$0	$111,561	$1,449	5%	of Total Soft Costs
	Reserves						
1711	Operating Reserve	$290,538	X	X	$3,773		6 months
	Operating Reserve	$0					
-	Debt Service	$290,538	X	X	$3,773		6 months
-	Replacement	$0	X	X	$0		
	Soft Costs Subtotal	**$2,923,861**			$37,972		
	Financing Costs						
	Tax Credit Fees						
1720	Tax Credit Application Fee	$85,656	X	X	$1,112	7%	
1623	Syndicator Legal	$30,000	$0	$30,000	$390		
1600	Cost Certification	$15,000	$0	$15,000	$195		
	Acquisition/Construction Loan Costs						
1550	Loan Origination Fee	$116,900	$0	$116,900	$1,518	1%	
1550	Lender legal	$25,000	$0	$25,000	$325		
1611	Recording/Title/Closing	$0	$0	$0	$0		**See Acquisition Recording Abc**
1750	Inspections	$18,000	$0	$18,000	$234		
1660	Cost of Issuance/Bond Exp.	$0	X	X	$0		
1760	Letter of Credit fees	$35,000	$0	$35,000	$455		
1735	Interest--Acq./Constr. Loan	$713,540	$0	$713,540	$9,267	60%	utilization rate
	Permanent Loan Costs						
1650	Loan Origination Fee	$80,150	X	X	$1,041	1%	
1650	Lender Legal	$25,000	X	X	$325		
1611	Recording/Title/Closing	$120,225	X	X	$1,561	1.50%	
	Financing Subtotal	**$1,264,470**			$16,422		
	Construction / Rehab						
1100	Construction/Rehab Costs	$12,320,000	$0	$12,320,000	$160,000		
1100	New Construction/Bump Outs	$0	$0	$0	$0		
1100	Demolition	$0	X	X	$0		
1100	Utility Undergrounding	$0	$0	$0	$0		confirm all utilities & all phases
1100	Site Work	$0	$0	$0	$0		
1100	General Requirements	$492,800	$0	$492,800	$6,400	4.00%	Construction / Rehab costs
1100	Builder's Overhead	$492,800	$0	$492,800	$6,400	4.00%	Included in Construction Cost
1100	Builder's Profit	$616,000	$0	$616,000	$8,000	5.00%	Construction / Rehab costs
1100	Bonding Fee	$123,200	$0	$123,200	$1,600	1.00%	Construction / Rehab costs
1120	Govt. Requirements/Mandates	$0	$0	$0	$0		
1100	Contingency	$500,500	$0	$500,500	$6,500	5%	New
	Construction Total	**$14,545,300**			$188,900		
1800	**Developer Fee**	$2,021,074	$0	$2,021,074	$26,248		adj. if lower fee on acquisition
	GRAND TOTAL (TDC)	**$24,477,450**	**$0**	**$19,687,599**	**$317,889**		

AHC INC.

East Reed Avenue
Financing Plan

Must Enter all yellow shaded areas
Should Confirm green shaded areas

Financing				Amount	Interest Rate	Term	Payment/ Year	Minimum DSCR	DSCR Base Year	Loan Type
Predevelopment Financing:										
Senior Predevelopment				$0	0.00%	1.97	$0			Int. Only
Bridge Debt/2nd Trust				$0	0.00%	1.97	$0			Int. Only
Tax Credit Equity				$0						
County/Local Loan				$0	2.00%	1.97				
AHC Funds	(interest is AFR or other stated rate)			$1,256,640	0.00%	1.97				
Other				$0						
Total Predevelopment Sources				$1,256,640						
Total Predevelopment Uses				$1,256,640						
Acquisition Financing Excess / (Gap)				($0)						
Acquisition/Construction Financing:		*LTV (max.)*								
Senior Construction		80%		$8,015,000	5.00%	1.97				
Subordinate Debt	Mezz Loan	10%		$3,675,000	5.50%	1.97				
Tax Credit Equity	(proportion paid during constr.)		70%	$8,563,685						
County/Local Loan	Alexandria			$2,500,000	2.00%	1.97				
Interim Income										
Partnership Loan	AHC			$0	0.00%	1.97				
City Land Note				$720,000						
Total Acquisition/Construction Sources				$23,473,685						
Total Acquisition/Construction Uses				$23,466,913						
Construction Financing Excess / (Gap)				$6,772						
Permanent Financing:	*cummulative funding--acq. & constr.*									
Senior Debt				$8,015,000	6.50%	35	$581,076	1.15	1.1710	Hard Pay
Subordinate Debt				$0	5.00%		$0			Hard Pay
Tax Credit Equity	?			$12,235,276	-	-	-	-	-	n/a
Interim Income				$0						n/a
Deferred Developer Fee			50%	$1,010,537	3.00%	10	$117,094			Cashflow
Partnership Loan				$0	0.00%	30	$0			Cashflow
City Cash Investment	Alexandria	$32,468		$2,500,000	2.00%					
City Partnership Contribution	Alexandria	$9,351 per unit		$720,000	0.00%	0				Cashflow
Other	AHC	$0 per unit		$0	0.00%	30	$0			
Total Permanent Sources				$24,480,813						
Total Uses				$24,477,450						
Permanent Financing Excess / (Gap)				$3,363						

50% Test

Eligible Costs + Land	$23,187,599
Bond Proportion	50.41%

Tax Credit Equity Calculations			4% LIHTC	9% LIHTC	Federal Historic	State Historic
Eligible Costs			$0	$19,687,599	$19,687,599	$19,687,599
Property in Qualified Census Tract (QCT)		30%	$0	$0		
Adjustment(s)						
Acquisition costs (excluding Land)			n/a	n/a	$0	$0
Personal property	confirm w/ T.C. attorney each project		n/a	n/a	$0	$0
Site work			n/a	n/a	$0	$0
New construction / demo			n/a	n/a	$0	$0
Pro rata share of "soft" costs attributable to new construction			n/a	n/a	$0	$0
Ineligible interest			n/a	n/a	$0	$0
Other ineligible costs			n/a	n/a	$0	$0
Historic credits (federal LIHTC only)			$0	$0	n/a	n/a
Eligible Basis After Adjustments			$0	$19,687,599	$19,687,599	$19,687,599
Low Income Percentage (Applicable Fraction)			100.00%	100.00%	n/a	n/a
Qualified Low Income Tax Credit Basis			$0	$ 19,687,599	$19,687,599	$19,687,599
Credit Rate			3.18%	7.38%	20%	25%
Tax Credits Calculated			$0	$ 1,452,945	$3,937,520	$ 4,921,900
Tax Credits Allocated	(may be lower than Calculated)		$0	$ 1,223,650	$3,937,520	$ 4,921,900
Allowable Tax Credits	confirm state max. credits allowed		$0	$ 1,223,650	$3,937,520	$4,921,900
Tax Credits to Limited Partnership		99.99%	$0	$ 1,223,528	$3,937,126	$ 4,921,408
Total Tax Credits to LP	(tax credit period)		10	10	5	
PV of $1.00 (equity per $1 of credits)			$1.00	$1.00	$0.00	$0.00
Total Tax Credit Equity to Project			$0	$12,235,276	$0	$0

Total Tax Credit Equity
$12,235,276

Credits/Unit
$ 22,660.19

East Reed Avenue
Cash Flow

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Gross Rental Income	$1,199,573	$1,223,564	$1,248,035	$1,272,996	$1,298,456	$1,324,425	$1,350,913	$1,377,932	$1,405,490	$1,433,600	$1,462,272	$1,491,518	$1,521,348	$1,551,775	$1,582,810
Other Income	$36,474	$37,203	$37,947	$38,706	$39,480	$40,270	$41,075	$41,897	$42,735	$43,589	$44,461	$45,350	$46,257	$47,182	$48,126
Less: Vacancy	($61,802)	($61,178)	($62,402)	($63,650)	($64,923)	($66,221)	($67,546)	($68,897)	($70,275)	($71,680)	($73,114)	($74,576)	($76,067)	($77,589)	($79,141)
Net Rental Income	$1,174,244	$1,199,589	$1,223,581	$1,248,052	$1,273,013	$1,298,474	$1,324,443	$1,350,932	$1,377,950	$1,405,509	$1,433,620	$1,462,292	$1,491,538	$1,521,369	$1,551,796
Commercial Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less: Vacancy	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Effective Gross Income	$1,174,244	$1,199,589	$1,223,581	$1,248,052	$1,273,013	$1,298,474	$1,324,443	$1,350,932	$1,377,950	$1,405,509	$1,433,620	$1,462,292	$1,491,538	$1,521,369	$1,551,796
EXPENSES															
Administrative & Staff	$123,200	$126,896	$130,703	$134,624	$138,663	$142,823	$147,107	$151,520	$156,066	$160,748	$165,570	$170,538	$175,654	$180,923	$186,351
Utilities	$77,000	$79,310	$81,689	$84,140	$86,664	$89,264	$91,942	$94,700	$97,541	$100,468	$103,482	$106,586	$109,784	$113,077	$116,469
O&M	$90,860	$93,586	$96,393	$99,285	$102,264	$105,332	$108,492	$111,746	$115,099	$118,552	$122,108	$125,771	$129,545	$133,431	$137,434
Real Estate Taxes & Insurance	$116,655	$120,155	$123,759	$127,472	$131,296	$135,235	$139,292	$143,471	$147,775	$152,208	$156,775	$161,478	$166,322	$171,312	$176,451
Property Management Fee	$62,978	$64,867	$66,813	$68,817	$70,882	$73,008	$75,198	$77,454	$79,778	$82,171	$84,637	$87,176	$89,791	$92,485	$95,259
Total Operating Expenses	$470,693	$484,813	$499,358	$514,338	$529,769	$545,662	$562,032	$578,892	$596,259	$614,147	$632,571	$651,549	$671,095	$691,228	$711,965
Net Operating Income	$703,551	$714,775	$724,223	$733,714	$743,245	$752,812	$762,411	$772,039	$781,691	$791,362	$801,048	$810,743	$820,443	$830,141	$839,831
Replacement Reserve	$23,100	$23,793	$24,507	$25,242	$25,999	$26,779	$27,583	$28,410	$29,262	$30,140	$31,044	$31,976	$32,935	$33,923	$34,941
Net Operating Income After Reserves	$680,451	$690,982	$699,716	$708,472	$717,245	$726,033	$734,829	$743,629	$752,429	$761,222	$770,004	$778,768	$787,508	$796,218	$804,890
DEBT SERVICE ("hard pay")															
Senior Debt	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076
Subordinate Debt	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ground Lease Payment (5% of Value)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Hard-Pay Debt	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076
DSCR	1.17	1.19	1.20	1.22	1.23	1.25	1.26	1.28	1.29	1.31	1.33	1.34	1.36	1.37	1.39
Cash Flow Before Other Requirements	$99,376	$109,907	$118,640	$127,396	$136,170	$144,957	$153,753	$162,554	$171,353	$180,147	$188,928	$197,692	$206,432	$215,142	$223,815
Bond Issuer/Tax Credit Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Asset Management Fee (syndicator)	$7,500	$7,725	$7,957	$8,195	$8,441	$8,695	$8,955	$9,224	$9,501	$9,786	$10,079	$10,382	$10,693	$11,014	$11,344
Asset Management Fee (AHC)	$13,860	$14,276	$14,704	$15,145	$15,600	$16,068	$16,550	$17,046	$17,557	$18,084	$18,627	$19,185	$19,761	$20,354	$20,964
Cash Flow Before Fees	$78,016	$102,182	$110,684	$119,201	$127,728	$136,262	$144,798	$153,330	$161,852	$170,361	$178,849	$187,310	$195,739	$204,128	$212,470
Deferred Developer Fee Paid	$66,313	$86,855	$94,081	$101,321	$108,569	$115,823	$123,078	$130,330	$137,575	$144,807	$109,351	$3,281	$98	$3	$0
Soft Pay Debt- Alexandria City Loan	$11,702	$15,327	$16,603	$17,880	$19,159	$20,439	$21,720	$22,999	$24,278	$25,554	$69,498	$184,030	$195,641	$204,125	$180,600
Soft Pay Debt-Jurisdiction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Soft Pay Debt-Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cashflow	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$31,870

Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Deferred Development Fee															
Amount Paid	$66,313	$86,855	$94,081	$101,321	$108,569	$115,823	$123,078	$130,330	$137,575	$144,807	$109,351	$3,281	$98	$3	$0
Interest Due	$30,316	$29,236	$27,508	$25,510	$23,236	$20,676	$17,822	$14,664	$11,194	$7,403	$3,281	$98	$3	$0	$0
Interest Paid	$30,316	$29,236	$27,508	$25,510	$23,236	$20,676	$17,822	$14,664	$11,194	$7,403	$3,281	$98	$3	$0	$0
Principal Paid	$35,997	$57,618	$66,573	$75,810	$85,333	$95,147	$105,256	$115,666	$126,381	$137,404	$106,070	$3,182	$95	$3	$0
Interest Accrued	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Principal Balance $1,010,537	$974,540	$916,921	$850,348	$774,538	$689,205	$594,058	$488,801	$373,135	$246,755	$109,351	$3,281	$98	$3	$0	$0
Available for Pro Rata Note Distribution											$0	$0	$0	$0	$0
Alexandria Land Note + Cash Investment															
Amount Paid	$11,702	$15,327	$16,603	$17,880	$19,159	$20,439	$21,720	$22,999	$24,278	$25,554	$69,498	$184,030	$195,641	$204,125	$180,600
Interest Due	$50,000	$50,766	$51,475	$52,172	$52,858	$53,532	$54,194	$54,843	$55,480	$56,104	$56,715	$56,460	$53,908	$51,074	$48,013
Interest Paid	$11,702	$15,327	$16,603	$17,880	$19,159	$20,439	$21,720	$22,999	$24,278	$25,554	$56,715	$56,460	$53,908	$51,074	$48,013
Principal Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$12,783	$127,570	$141,732	$153,052	$132,587
Interest Accrued	$38,298	$35,439	$34,872	$34,292	$33,699	$33,093	$32,474	$31,844	$31,202	$30,550	$0	$0	$0	$0	$0
Remaining Principal Balance $2,500,000	$2,538,298	$2,573,736	$2,608,609	$2,642,901	$2,676,599	$2,709,692	$2,742,166	$2,774,010	$2,805,212	$2,835,762	$2,822,980	$2,695,409	$2,553,677	$2,400,626	$2,268,038
Accrued Interest															
City Partnership Contribution (Paid Upon Refinance at end of Tax Credit Period)															
Amount Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Due 0%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Paid															
Principal Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Accrued	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Principal Balance $720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000	$720,000

East Reed Avenue
Cash Flow

	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
INCOME	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Gross Rental Income	$1,614,467	$1,646,756	$1,679,691	$1,713,285	$1,747,551	$1,782,502	$1,818,152	$1,854,515	$1,891,605	$1,929,437	$1,968,026	$2,007,386	$2,047,534	$2,088,485	$2,130,254	$2,172,860	$2,216,317
Other Income	$49,089	$50,070	$51,072	$52,093	$53,135	$54,198	$55,282	$56,387	$57,515	$58,665	$59,839	$61,036	$62,256	$63,501	$64,771	$66,067	$67,388
Less: Vacancy	($80,723)	($82,338)	($83,985)	($85,664)	($87,378)	($89,125)	($90,908)	($92,726)	($94,580)	($96,472)	($98,401)	($100,369)	($102,377)	($104,424)	($106,513)	($108,643)	($110,816)
Net Rental Income	$1,582,832	$1,614,489	$1,646,778	$1,679,714	$1,713,308	$1,747,574	$1,782,526	$1,818,176	$1,854,540	$1,891,631	$1,929,463	$1,968,053	$2,007,414	$2,047,562	$2,088,513	$2,130,283	$2,172,889
Commercial Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less: Vacancy	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Effective Gross Income	$1,582,832	$1,614,489	$1,646,778	$1,679,714	$1,713,308	$1,747,574	$1,782,526	$1,818,176	$1,854,540	$1,891,631	$1,929,463	$1,968,053	$2,007,414	$2,047,562	$2,088,513	$2,130,283	$2,172,889
EXPENSES																	
Administrative & Staff	$191,942	$197,700	$203,631	$209,740	$216,032	$222,513	$229,188	$236,064	$243,146	$250,440	$257,953	$265,692	$273,663	$281,873	$290,329	$299,039	$308,010
Utilities	$119,963	$123,562	$127,269	$131,087	$135,020	$139,071	$143,243	$147,540	$151,966	$156,525	$161,221	$166,058	$171,039	$176,170	$181,456	$186,899	$192,506
O&M	$141,557	$145,804	$150,178	$154,683	$159,324	$164,103	$169,026	$174,097	$179,320	$184,700	$190,241	$195,948	$201,826	$207,881	$214,118	$220,541	$227,157
Real Estate Taxes & Insurance	$181,745	$187,197	$192,813	$198,597	$204,555	$210,692	$217,013	$223,523	$230,229	$237,136	$244,250	$251,577	$259,124	$266,898	$274,905	$283,152	$291,647
Property Management Fee	$98,117	$101,060	$104,092	$107,215	$110,432	$113,744	$117,157	$120,672	$124,292	$128,020	$131,861	$135,817	$139,891	$144,088	$148,411	$152,863	$157,449
Total Operating Expenses	$733,324	$755,323	$777,983	$801,323	$825,362	$850,123	$875,627	$901,896	$928,952	$956,821	$985,526	$1,015,091	$1,045,544	$1,076,911	$1,109,218	$1,142,494	$1,176,769
Net Operating Income	$849,508	$859,165	$868,795	$878,391	$887,946	$897,451	$906,899	$916,281	$925,587	$934,810	$943,938	$952,961	$961,869	$970,651	$979,295	$987,789	$996,120
Replacement Reserve	$35,989	$37,069	$38,181	$39,326	$40,506	$41,721	$42,973	$44,262	$45,590	$46,958	$48,366	$49,817	$51,312	$52,851	$54,437	$56,070	$57,752
Net Operating Income After Reserves	$813,519	$822,097	$830,615	$839,065	$847,440	$855,730	$863,926	$872,019	$879,998	$887,852	$895,571	$903,144	$910,558	$917,800	$924,859	$931,719	$938,368
DEBT SERVICE ("hard pay")																	
Senior Debt	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076
Subordinate Debt	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Ground Lease Payment (5% of Value)																	
Total Hard-Pay Debt	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076	$581,076
DSCR	1.40	1.41	1.43	1.44	1.46	1.47	1.49	1.50	1.51	1.53	1.54	1.55	1.57	1.58	1.59	1.60	1.61
Cash Flow Before Other Requirements	$232,444	$241,021	$249,539	$257,990	$266,364	$274,654	$282,851	$290,943	$298,922	$306,776	$314,496	$322,068	$329,482	$336,725	$343,783	$350,644	$357,292
Bond Issuer/Tax Credit Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Asset Management Fee (syndicator)	$11,685	$12,035	$12,396	$12,768	$13,151	$13,546	$13,952	$14,371	$14,802	$15,246	$15,703	$16,174	$16,660	$17,159	$17,674	$18,204	$18,751
Asset Management Fee (AHC)																	
Cash Flow Before Fees	$220,759	$228,986	$237,143	$245,221	$253,213	$261,109	$268,898	$276,572	$284,120	$291,531	$298,792	$305,894	$312,822	$319,565	$326,109	$332,439	$338,542
Deferred Developer Fee Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Soft Pay Debt- Alexandria City Loan	$187,645	$194,638	$201,571	$208,438	$215,231	$221,942	$228,564	$235,087	$241,502	$247,801	$253,974	$140,772	$2,815	$56	$1	$0	$0
Soft Pay Debt-Jurisdiction	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Soft Pay Debt-Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Cashflow	$33,114	$34,348	$35,571	$36,783	$37,982	$39,166	$40,335	$41,486	$42,618	$43,730	$44,819	$165,121	$310,007	$319,509	$326,108	$332,439	$338,542

Project Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
Deferred Development Fee																	
Amount Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Due	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Principal Paid	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Accrued	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Principal Balance $1,010,537	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Available for Pro Rata Note Distribution	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Alexandria Land Note + Cash Investment																	
Amount Paid	$187,645	$194,638	$201,571	$208,438	$215,231	$221,942	$228,564	$235,087	$241,502	$247,801	$253,974	$140,772	$2,815	$56	$1	$0	$0
Interest Due	$45,361	$42,515	$39,473	$36,231	$32,787	$29,138	$25,282	$21,216	$16,938	$12,447	$7,740	$2,815	$56	$1	$0	$0	$0
Interest Paid	$45,361	$42,515	$39,473	$36,231	$32,787	$29,138	$25,282	$21,216	$16,938	$12,447	$7,740	$2,815	$56	$1	$0	$0	$0
Principal Paid	$142,284	$152,123	$162,099	$172,207	$182,445	$192,805	$203,282	$213,871	$224,564	$235,354	$246,233	$137,957	$2,759	$55	$1	$0	$0
Interest Accrued	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Principal Balance $2,500,000	$2,125,754	$1,973,631	$1,811,533	$1,639,325	$1,456,881	$1,264,076	$1,060,794	$846,923	$622,360	$387,006	$140,772	$2,815	$56	$1	$0	$0	$0
Accrued Interest																	
City Partnership Contribution (Paid Upon																	
Amount Paid	$720,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Due 0%	$0																
Interest Paid																	
Principal Paid	$720,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Accrued	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Remaining Principal Balance $720,000	$0																

East Reed Avenue
Cash Flow

	33	34	35
INCOME	2048	2049	2050
Gross Rental Income	$2,260,643	$2,305,856	$2,351,973
Other Income	$68,736	$70,111	$71,513
Less: Vacancy	($113,032)	($115,293)	($117,599)
Net Rental Income	$2,216,347	$2,260,674	$2,305,887
Commercial Income	$0	$0	$0
Less: Vacancy	$0	$0	$0
Effective Gross Income	$2,216,347	$2,260,674	$2,305,887
EXPENSES			
Administrative & Staff	$317,250	$326,768	$336,571
Utilities	$198,281	$204,230	$210,357
O&M	$233,972	$240,991	$248,221
Real Estate Taxes & Insurance	$300,396	$309,408	$318,690
Property Management Fee	$162,172	$167,038	$172,049
Total Operating Expenses	$1,212,072	$1,248,434	$1,285,887
Net Operating Income	$1,004,275	$1,012,239	$1,020,000
Replacement Reserve	$59,484	$61,269	$63,107
Net Operating Income After Reserves	$944,790	$950,970	$956,893
DEBT SERVICE ("hard pay")			
Senior Debt	$581,076	$581,076	$581,076
Subordinate Debt	$0	$0	$0
Ground Lease Payment (5% of Value)			
Total Hard-Pay Debt	$581,076	$581,076	$581,076
DSCR	1.63	1.64	1.65
Cash Flow Before Other Requirements	$363,715	$369,895	$375,817
Bond Issuer/Tax Credit Fees	$0	$0	$0
Asset Management Fee (syndicator)	$19,313	$19,893	$20,489
Asset Management Fee (AHC)			
Cash Flow Before Fees	$344,401	$350,002	$355,328
Deferred Developer Fee Paid	$0	$0	$0
Soft Pay Debt- Alexandria City Loan	$0	$0	$0
Soft Pay Debt-Jurisdiction	$0	$0	$0
Soft Pay Debt-Other	$0	$0	$0
Net Cashflow	$344,401	$350,002	$355,328

Project Year	33	34	35
Deferred Development Fee			
Amount Paid	$0	$0	$0
Interest Due	$0	$0	$0
Interest Paid	$0	$0	$0
Principal Paid	$0	$0	$0
Interest Accrued	$0	$0	$0
Remaining Principal Balance ***$1,010,537***	$0	$0	$0
Available for Pro Rata Note Distribution	$0	$0	$0
Alexandria Land Note + Cash Investment			
Amount Paid	$0	$0	$0
Interest Due	$0	$0	$0
Interest Paid	$0	$0	$0
Principal Paid	$0	$0	$0
Interest Accrued	$0	$0	$0
Remaining Principal Balance ***$2,500,000***	$0	$0	$0
Accrued Interest			
City Partnership Contribution (Paid Upon			
Amount Paid	$0	$0	$0
Interest Due 0%			
Interest Paid			
Principal Paid	$0	$0	$0
Interest Accrued	$0	$0	$0
Remaining Principal Balance ***$720,000***			

AHC INC.

East Reed Avenue
Assumptions & Project Details

Detailed Breakdown of Sources and Uses

SOURCES AND USES OF FUNDS - PERMANENT		
Sources of Funds		
Senior Debt	$8,015,000	
Subordinate Debt	$0	
Tax Credit Equity	$12,235,276	
Deferred Developer Fee	$1,010,537	
Partnership Loan	$0	
City Partnership Contribution	$720,000	Alexandria Land Note
City Cash Investment	$2,500,000	Alexandria City Loan
Other	$0	
Total Sources	**$24,480,813**	
Use of Funds		
Acquisition	$3,722,745	
Construction	$14,545,300	
Soft Costs	$2,923,861	
Development Fee	$2,021,074	
Other	$1,264,470	
Total Uses	**$24,477,450**	

Project Summary	
Locality	Alexandria
Number of Units-Total	77
Number of Units-Affordable	77
Acquisition Price--Per Unit	$45,455
Construction Cost--Per Unit	$188,900
Local Funds--Per Unit	$41,818

Housing Trust Fund Programs Financial Status

As of September 30, 2012

Balance as of August 31, 2012		**2,426,165**
Revenues for September 2012		
Contributions	4,000	
Loan Repayments		
Community Lodgings, Inc. (CLI)	2,288	
Moderate Income Homeownership Program (MIHP)	53,765	
Employee Homeownership Incentive Program (EHIP)	65	
Fees Offsetting Expenditures	0	**60,118**
Expenditures for September 2012		
Employee Homeownership Incentive Program (EHIP)	0	
Homeownership Counseling		
Housing Opportunities Fund - *see attached report*	0	
HTF Homeownership Assistance Program		
Moderate Income Homeownership Program (MIHP)		
Rental Accessibility Modification Program (RAMP)	0	**0**
Balance Available Before Outstanding Commitments/Reservations		**2,486,283**
Outstanding Commitments/Reservations as of September 30, 2012		
Braddock Small Area Plan Fund	74,816	
Employee Homeownership Incentive Program (EHIP)	71,141	
HOME/HOF Match	304,171	
Homeownership Counseling	56,020	
Fees for Professional Services	10,000	
FY 2014 Budget Reservation	171,404	
AHDC 2013	61,404	
HTF Homeownership Assistance Program	123,685	
Housing Opportunities Fund - *see attached report*	602,648	
Moderate Income Homeownership Program (MIHP)	331,274	
Rental Accessibility Modification Program (RAMP)	5,155	**(1,736,900)**
Unreserved Balance as of September 30, 2012		**749,383**

HOMEOWNERSHIP PROGRAMS REPORT
September 2012

	September 2012				*Total FY 2012 as of September 30, 2012*			
	Loans Committed	Amount and Source of Committed Loan Funds	Loans Settled	Amount and Source of Settled Loan Funds	Loans Committed	Amount and Source of Committed Loan Funds	Loans Settled	Amount and Source of Settled Loan Funds
HAP	0	$0	0	$0	0	$0	0	$ -
MIHP	0	$0	0	$0	0	$0	0	$0
HTF-Homeownership Assitance	0	$0		$0	1	$48,330 - HTF	1	$48,330 - HTF
EHIP	0	$0	0	$0	0	$0	0	$0

Loan Balances as of September 30, 2012:

HOME HAP	$	-	*Grants*
CDBG HAP	$	-	
HTF HAP	$	123,685	
MIHP	$	331,274	*Housing Trust Fund*
EHIP	$	71,141	

Housing Opportunities Fund Financial Status

As of September 30, 2012

	HTF	General Fund	HOME	TOTAL
Balance as of August 31, 2012	**693,648**	**263,595**	**1,947,922**	**2,905,165**
September 2012 Expenditures				
Notabene			(37,684)	
Alexandria Housing Development Corporation (AHDC)		$ (145,500)		
Balance Available Before Outstanding Commitments	**693,648**	**118,095**	**1,910,238**	**2,721,981**
Outstanding Commitments				
Alexandria Housing Development Corporation (AHDC)	91,000	0		
CLI Notabene			204,169	
Unreserved Balance as of September 30, 2012	**602,648**	**118,095**	**1,706,069**	**2,426,812**